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ABSTRACT

Presenting a summary of matters discussed at the April 18-19, 1993, meeting of the California Postsecondary Education Commission (CPEC), this report includes a review of action items and informational items, and notes from a meeting of the Committee on the Financing and Future of California Higher Education. The five action items reviewed include summaries of comments from the meeting and the Commission's disposition of each item. They are as follows: Restructuring the State's Financial Aid Programs; Undergraduate Student Charges and Financial Aid at California's Public Universities; Expenditures for University Instruction; and Status Report on Human Corps Activities. The eight information items reviewed include the following: Changing the Mix of Faculty Activities; Increased Use of Technology; Increased Use of Facilities; Establish Uniform Statewide Faculty Salary Schedules in the California Community Colleges (CCC); Reducing the Cost of Providing Instruction by Lowering Faculty Compensation; Shift Students to Lower-Cost Institutions; Reduced Statewide Governance Costs for the CCC; and Facilitating Undergraduate Enrollment in Colleges and Universities in Other Western States. Included as a lengthy attachment is the CPEC report, "The Master Plan, Then and Now: Policies of 'A Master Plan for Higher Education 1960-1975,' in Light of 1993 Realities," which includes sections covering the background to the Master Plan; the mission and function of the community colleges and the two state university systems; governance and structure; access; student selection and retention; faculty supply and demand; adult education; and costs, fees and financing for the three postsecondary systems. (PAA)

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Board of Governors
California Community Colleges
May 13-14, 1993

REPORT OF THE CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

5

A Report

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REPORT OF THE CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

5

A Report

Background

The California Postsecondary Education Commission (CPEC) is a citizen board established in 1974 by the Legislature and Governor to provide them with independent, nonpartisan policy analysis and recommendations about California education beyond high school. CPEC's task is to coordinate the efforts of California's colleges and universities in order "to assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs." The appointing entities and CPEC members are listed in Attachment A.

This report summarizes matters discussed at the last meeting of CPEC, which was held April 18 and 19. CPEC's work is monitored by the Chancellor's Office through staff participation on the Statutory Advisory Committee, other advisory committees, and frequent staff-to-staff contact. The results and evaluation of this monitoring are reported regularly to the Board of Governors representatives to CPEC as background for their participation in the development of CPEC's policies and recommendations. As circumstances warrant, recommendations on policy issues before CPEC are presented for specific action by the Board of Governors.

Analysis

The CPEC agenda contained five action items, seven informational items, a Sunday evening meeting of the ad hoc Committee on the Financing and Future of California Higher Education, and consultations with Assemblymember John Vasconcellos, chair of the Assembly Ways and Means Committee, and Assemblymember Hilda S. Solis, vice chair of the Assembly Committee on Higher Education.

Staff Presentation: *Judy E. Walters, Vice Chancellor*
Policy Analysis and Development

Report on the
April 1993 Meeting of the
California Postsecondary Education Commission

Briefly summarized below from the agenda of the April 18-19, 1993 meeting of the California Postsecondary Education Commission (CPEC) are the action items, informational items, and notes from the Sunday evening meeting of the ad hoc Committee on the Financing and Future of California Higher Education.

Action Items

Restructuring the State's Financial Aid Programs

This item is the first written response to the Legislature's request that CPEC advise the Governor and Legislature on the State's financial aid policies. Discussions are currently underway in various committees of the Legislature about the possibility of "decentralizing" State-funded and State-administered financial aid grant programs and having these programs be administered by the individual systems in contrast to their present administration at the State-level.

This proposal is for all existing State-funded and administered programs—including the Cal Grants A, B, and C programs, the Graduate Student Fellowship Program, the State Work-Study Program, and the Law Enforcement Personnel Dependents Grants Program—be decentralized to allow each system to administer these funds following the general criteria outlined below rather than continuing to have these programs administered at the State level. The general criteria are:

1. Initially, State-funded financial aid monies should be distributed to the systems based on the average percentage each received over the past three year period. (CPEC is working with a broad-based advisory committee to develop a recommendation concerning how additional General Fund aid monies allocated to the program in the future would be distributed among the various educational systems.)

2. CPEC believes the decentralized aid funds should continue to be displayed as a separate budget item within the Governor's proposed State Budget as well as separately allocated in the State Budget Act. Further, CPEC recommended that, within the Governor's Budget, his presentation should include information about the total amount of monies available for need-based financial aid in each higher educational system, as well as an estimate of the amount required to provide assistance to all financially needy students.

3. CPEC believes the State should develop a long-term student financial aid policy premised on the following principles:

   a. State- and student-funded financial aid programs should be designed to ensure that all State citizens regardless of economic circumstances have equal access to the educational opportunities offered by California's public and independent colleges and universities.

   b. State- and student-funded financial aid programs should be designed to assist students in making timely and satisfactory progress toward their educational objectives.

   c. Financial aid programs should provide qualified students with an ability to choose among the variety of California's higher education institutions without regard to the tuition and/or fee charged by the institution.

***Comment**: This policy generated a lot of discussion among the segments' representatives at both the CPEC Statutory Advisory Committee meeting and at the Sunday evening meeting of the ad hoc Committee on the Financing and Future of California Higher Education regarding a recommendation of a short-term policy through 1994-95. The agreement reached is reflected in the following language: "The State should be required to augment its decentralized financial aid budget item by an amount sufficient to fully cover the increase in student fees at its public institutions for all financially needy students. . . . [S]hould the State be unable or unwilling to augment its decentralized financial aid budget item, . . . the public systems [will] augment their own institutional financial aid budgets from institutional resources. In making this recommendation, the commission recognizes that, if the systems provide financial aid funds from their own resources, such funds will not be available for other purposes." This policy was approved by CPEC with the addition that there will be a stronger statement about the State's responsibility toward financially needy students. In addition, CPEC asked that its Educational Equity Policy Advisory Committee develop a strong intent statement about the importance of financial aid being available for and directed to low-income students as the highest priority. (Included as Attachment B in the Legislative item, is a proposal developed by the Chancellor's Office in close consultation with community college financial aid directors and the California Community Colleges Student Financial Aid Administrators Association [CCCSFAAA]. This proposal describes a simple and equitable allocation, award, and report structure that would implement State policy goals and priorities with minimum administrative burden.)*

***Disposition**: CPEC adopted the policy for appropriate transmittal.*

Undergraduate Student Charges and Financial Aid at California's Public Universities

This item presented four alternatives for student fee policies in California's public higher education.

1. Maintain the State's current long-term student fee policy for the University of California (UC) and the California State University (CSU) and extend it to the California Community Colleges.

2. Set student charges at public institutions at a specified percentage of the cost of instruction.

3. Set student fees at California's public colleges and universities on a sliding scale based on income.

4. Establish guidelines for setting student charges.

Comment: *CPEC decided that they would not include the California Community Colleges in any fee option alternatives, other than the current long-term student fee policy, which is basically that fees would be gradual, moderate, and predictable, and increase no more than 10 percent.*

Disposition: *CPEC adopted a policy to set student fees at California's public colleges and universities (UC and CSU) based on a specified percentage of the cost of instruction in each system. (No specified percentage was recommended.) CPEC adopted this policy for appropriate transmittal.*

It should be noted that SB 1072 (Killea) will be amended to include CPEC's recommendations on student fees and financial aid as adopted by CPEC at its April 19 meeting. This bill is listed for discussion during the legislative item.

Expenditures for University Instruction

CPEC discussed this report at its February 22 meeting. No substantive changes were made. The report is about the State's costs of instruction in the three public systems of higher education. However, while CPEC estimated the State's cost of instruction for the community colleges in Part One of the report, they were unable to undertake a comparative analysis of instructional expenditures of these colleges with similar institutions across the country. The major content of the report is the analysis of expenditures of CSU and UC for instructional purposes, in comparison to similar expenditures of several comparison groups of universities. The next work in this area will be to examine system-specific costs per academic program area.

Disposition: *CPEC adopted the report for appropriate transmittal.*

Faculty Salaries in California's Public Universities, 1992-93

In February, CPEC presented a draft of this report, which compares faculty salaries at CSU and UC with those at their respective groups of comparison universities. The report concludes that to keep faculty salaries in California's public universities comparable with the average of their groups of comparison institutions, 1993-94 salaries at CSU would need to be raised by 8.5 percent and those at UC would need to be raised by 6.5 percent.

***Disposition**: CPEC adopted this report for appropriate transmittal.*

Status Report on Human Corps Activities, 1992

Through Assembly Bill 1820 (Vasconcellos; Chapter 1245, Statutes of 1987), the Legislature directed CPEC to comment annually on the progress of "Human Corps" programs of student community service at CSU and UC. This fifth report summarizes information on student participation derived from surveys implemented by both universities.

CPEC has been charged by the Legislature to complete a comprehensive evaluation of the Human Corps programs by March 1994. In that report, CPEC staff plan to put California's experience with the Human Corps in context of community service programs in general and the Clinton Administration's proposal to allow students to pay for at least part of their college expenses through participation in community service.

***Disposition**: CPEC adopted the report for appropriate transmittal.*

Information Items

Options and Alternatives for Maximizing Access and Opportunity in California Higher Education

At its February meeting, CPEC discussed a list of 25 options that might produce operational cost savings in the State's public colleges and universities while maintaining their commitment to student access and opportunity. This report presented further analysis on eight of those options.

1. *Changing the Mix of Faculty Activities*

   The Proposed Option: The State should encourage CSU and UC to each increase the teaching responsibilities of their faculty, relative to time spent on other activities such as research and public service.

2. *Increased Use of Technology*

The Proposed Option: The State should encourage the increased use of technology in the delivery of higher education to students.

3. *Increased Use of Facilities*

The Proposed Option: The State should encourage public institutions of higher education to utilize their existing facilities more intensively throughout the week and year, in order to save capital outlay funds.

4. *Establish Uniform Statewide Faculty Salary Schedules in the California Community Colleges*

The Proposed Option: To eliminate disparity in faculty compensation in districts throughout the State. Both UC and CSU currently employ statewide salary schedules for their regular class and rank faculty, and have done so for many years. In the California Community Colleges, faculty are generally paid under a compensation system inherited from elementary and secondary schools, where faculty are paid based on the number of degrees or academic credits accumulated plus the years of service at the district. The pay scale itself is collectively bargained by the district and the faculty unions. The idea of a statewide salary schedule for the California Community Colleges is not new, but it has always been rejected in the past because of the complexities of local control and the legal requirements of the collective bargaining process.

5. *Reducing the Cost of Providing Instruction by Lowering Faculty Compensation at California's Colleges and Universities*

The Proposed Option: To provide instruction by reducing faculty salaries, which is the largest single cost element to California's colleges and universities.

6. *Shift Students to Lower-Cost Institutions*

The Proposed Option: To concentrate and redirect students to the community colleges for lower-division education, and emphasize upper division and graduate education at CSU and UC.

7. *Reduced Statewide Governance Costs for Community Colleges*

The Proposed Option: To eliminate expenditures associated with elections, support, travel, and operations of local boards of trustees and multi-campus district chancellor's offices throughout the state, freeing resources that could be redirected to classroom instruction and local campus operations.

8. *Facilitating Undergraduate Student Enrollment in Colleges and Universities in Other Western States*

The Proposed Option: The State should increase the number of California high school graduates who go to colleges and universities in other Western states by participation in the Western Interstate Commission for Higher Education program for Western Undergraduate Exchange. (This option was removed from further analysis by consent.)

A Fresh Look at California Higher Education: A Discussion Paper Focusing on the Future

This is a discussion paper which had been prepared as a result of various conversations and ideas presented through a variety of sources. Further work is anticipated on the paper by the Educational Roundtable.

The Master Plan, Then and Now

The Master Plan, Then and Now: Policies of 'A Master Plan for Higher Education 1960-1975,' in Light of 1993 Realities is a paper prepared by Dorothy Knoell that analyzes the access and transfer policies of California's 1960 *Master Plan for Higher Education.*

Comment: *Since this is very complete and one of the most definitive analyses done, we have provided the complete paper as Attachment B.*

Budget Update for April 1993

CPEC staff summarized recent developments regarding the 1993-94 State Budget.

Legislative Update for April 1993

CPEC staff presented a discussion of highlights of the new legislative session; an analysis of AB 319 (Archie-Hudson); a summary of all higher education legislation

introduced in the first year of the 1993-94 session; materials from the Assembly Higher Education Committee with a staff response to them; and a list of the members of legislative committees active in higher education issues.

Proposed Establishment of the Vacaville Higher Education Center of the Solano County Community College District

This draft report responds to an anticipated request of the Board of Governors that CPEC approve for State funding this planned center.

Student Fees and Fee Policy at the California Maritime Academy

This report is in response to the Legislature's direction for CPEC to review student charges at the California Maritime Academy. To prepare this report, staff reviewed Academy documents regarding fees and financial aid policies, obtained information on the fee policies and practices of the four other state maritime academies in the country, and surveyed freshman, sophomore, and junior students of the Academy about their educational expenses and resources.

ATTACHMENT A

California Postsecondary Education Commission Members

Representing the General Public

Appointed by the Governor

C. Thomas Dean, Long Beach (1995), *Vice Chair*
Helen Z. Hansen, Long Beach (1993)
Lowell J. Paige, El Macero (1992)

Appointed by the Senate Rules Committee

Mim Andelson, Los Angeles (1992)
Stephen P. Teale, M.D., Modesto (1993)
Vacant

Appointed by the Speaker of the Assembly

Henry Der, San Francisco (1993), *Chair*
Tong Soo Chung, Los Angeles (1995)
Vacant

Student Representatives, Appointed by the Governor

Beverly Sandeen, University of California, Irvine
Christopher Lowe, California State University, Fullerton

Representing the Regents of the University of California

Alice J. Gonzales, Rocklin

Representing the Trustees of the California State University

Ted J. Saenger, San Francisco

Representing the Board of Governors of the California Community Colleges

Timothy P. Haidinger, Rancho Santa Fe

Representing California's Independent Colleges and Universities

Kyhl M. Smeby

Representing the Council for Private Postsecondary and Vocational Education

Harry Wugalter, Ventura

Representing the California State Board of Education

Yvonne W. Larsen, San Diego

Alternate Representatives

Representing the Regents of the University of California
S. Sue Johnson, Riverside

Representing the Trustees of the California State University
Claudia H. Hampton, Los Angeles

Representing the Board of Governors of the California Community Colleges
Vacant

Representing the Council for Private Postsecondary and Vocational Education
Frank R. Martinez, San Luis Obispo

Representing the California State Board of Education
Gerti Thomas, Albany

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Information Item

California Postsecondary Education Commission

Report of the Executive Director

This written portion of Dr. Fox's report consists of "The Master Plan, Then and Now" -- a paper by Dorothy M. Knoell of the staff analyzing the access and transfer policies of California's 1960 Master Plan for Higher Education in light of 1993 realities.

Following discussion of the paper, staff will publish it for general circulation.

Presenter: Warren Halsey Fox.

THE MASTER PLAN, THEN AND NOW

Policies of "A Master Plan for Higher Education 1960-1975," in Light of 1993 Realities

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1303 J Street • Suite 500 • Sacramento, California 95814-2938

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

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Background on the Master Plan

THE developers of "A Master Plan for Higher Education in California, 1960-1975" attempted to achieve two major objectives: (1) "guard the state and state funds against unwarranted expansion and unhealthy competition among the segments of public higher education," and (2) "provide abundant collegiate opportunities for qualified young people and give the segments and institutions enough freedom to furnish the diverse higher education services needed by the state."

Issues of the late 1950s and early 1960s

Compared with the 1990s, the State's fiscal conditions were much less precarious in the late 1950s, when the Governor and the Legislature recognized the need for such planning. Still, projections of future enrollments on the one hand, and State revenues on the other -- even with four new tax measures that were enacted in 1959 -- led to the conclusion that California's revenue system would be inadequate to finance current expenditures for State services, including higher education, by 1962. Therefore, planners had two main choices: (l) limit opportunity to work toward a baccalaureate degree to the number that the State could realistically afford to support in its public universities, or (2) "manage" enrollments at the lower-division level by shifting large numbers of students to what were then junior colleges, to ensure that opportunity to complete a baccalaureate-degree program would be available to all who succeeded in the lower division and wanted to continue to the baccalaureate.

The latter solution made sense to the planners at that time because the junior colleges were supported primarily by local property tax revenue, and campuses and facilities were built without State funds. The State's "problem" was particularly acute with the state college system -- and for at least three reasons:

1. State college enrollment was projected to increase almost 350 percent between 1958 and 1975 (almost twice that of the junior colleges);
2. Many legislators were introducing bills and resolutions to establish new campuses in their districts without the benefit of statewide planning and coordination with respect to need and the State's ability to pay; and
3. The state colleges were in a sense "restless" with respect to their traditional mission, having emerged only recently from their status as teachers colleges with limited master's degree programs and yearning -- at least on some campuses -- to be allowed to become comprehensive universities with doctoral-degree programs and research as a recognized function. Thus the planners' problem

was one of how to "contain" the burgeoning state college system while meeting the State's increasing need for its youth to have opportunities to pursue higher education.

Differences between issues of the '60s and today

Three additional conditions with which the Master Plan dealt differ from those of today:

1. In projecting the enrollments that the State would need to accommodate, the planners for the 1960s focused almost exclusively on providing higher education opportunities for recent California high school graduates who would enroll full-time in day classes;

2. Affirmative action, diversity, and equality of opportunity for historically underrepresented groups were not a part of the planning for the 1960s, nor were the needs of older adults, immigrants, and the unemployed; and

3. Student aid for financially needy students was not yet a major factor in planning for public higher education in the 1960s. The federal loan program under the National Defense Education Act was just getting under way in California -- and it was for all practical purposes the only federal aid program with the exception of veterans' benefits. The State scholarship program was small and served talented youth enrolling almost exclusively in California's independent colleges and universities, since the grants were for payment of tuition and fees and the public institutions were tuition-free and with low levels of fees.

Given all this, California's Master Plan that was created for the 1960s and beyond achieved its objectives of providing opportunities for all young people who were capable and motivated to begin and often to complete a baccalaureate-degree program at a low-cost public institution that was close to home -- at a cost that the State could afford and that the planners concluded that the taxpayers were willing to pay.

Organization of this report

Many of the recommendations of the Master Plan were enacted into statute in the Donahoe Higher Education Act in a special session of the 1960 Legislature that Governor Edmund G. Brown called for this purpose. The Act as amended appears in Title 3, Postsecondary Education, Division 5, Part 40, of the Education Code, commencing with Section 66000. Each of the eight following sections of this present report -- Mission and Functions; Governance and Structure; Access; Student Selection and Retention; Faculty Demand and Supply; Adult Education; Costs, Fees, and Financing; and Conclusion -- identify relevant sections of the Education Code, summarize positions and policy recommendations from the Master Plan, and then discuss the current policies and practices of the State and its three public systems of higher education in light of those stated policies.

1 Mission and Function

The California Community Colleges

Relevant Education Code Sections: 66010, 66010.4, and 66024.

Master Plan Policy: The Master Plan tended to affirm the traditional functions of the community colleges -- instruction through but not beyond the fourteenth grade level in (1) standard collegiate courses for transfer, (2) vocational/technical fields leading to employment, and (3) general or liberal education, and, of course, the awarding of an associate in arts or science degree for such programs. This policy did not deal directly with adult or noncredit programs -- a function that was shared with the public schools, nor with remedial or developmental education.

Current Policy and Practice: The community colleges have undergone significant changes since the Master Plan in the kinds of students they serve and the programs they offer to an increasingly diverse population. In terminology, they are no longer referred to as offering classes at the thirteenth and fourteenth grade levels but, instead, at the lower-division or freshman and sophomore levels. Adult education offerings are no longer "non-graded" but, instead, noncredit.

Liberal arts/transfer and vocational/technical education leading to associate degrees and certificates, transfer, and employment continue to be their primary functions. At the same time, the functions that the system provides -- many with State support--have expanded to include: (1) remedial/developmental education, (2) English as a second language, (3) basic skills and other basic education for adults, (4) certain categories of noncredit adult education that are State-supported, and (5) community service programs and contract education for which the colleges do not receive State support.

The largest community colleges were a part of K-14 school districts at the time of the Master Plan, and "adult education," variously defined, was done as a district, rather than a college, function. Subsequent to the Master Plan, when community colleges were organized as districts separate from high school and unified districts, some college districts retained the function of noncredit, adult education while others serve their "adult" students in credit classes or community service programs. The recent move by the State to charge most adults who hold baccalaureate degrees a high, differential fee for credit classes may have a largely unintended impact on the mission of the colleges -- or on how they deliver their instructional services to such adults -- but the differential fee is still too new to allow its impact on mission to be measured.

Finally, community college functions may have changed with respect to their relationship with high schools with the advent of articulated career education programs (commonly known as 2 + 2 programs) that in many cases permit high school

juniors and seniors to earn college credit or advanced placement, or both, in a wide range of vocational courses and programs. This kind of articulation may lead to acceleration toward a community college degree or certificate, as contrasted with the relatively new tech/prep programs that involve strengthening academic preparation in high school for a higher level of technical education.

The California State University

Relevant Education Code Sections: 66010, 66010.4, and 66024.

Master Plan Policy: The Master Plan tended to affirm the evolving functions of the State University -- instruction in the liberal arts and sciences, teacher education, and in professions and applied fields that require more than two years of collegiate study, through the master's degree, and faculty research that "used facilities provided for and consistent with" the system's primary instructional function. The major change from previous policy was to sanction the awarding of the joint doctoral degree with the University -- a change that was less than the free-standing doctorate that the State University had sought in the Master Plan but still a major step forward toward becoming a comprehensive university.

Current Policy and Practice: The State University has developed joint doctoral programs with the University and, as a result of a change in statute since the Master Plan, with independent California universities, largely in southern California. Some increase in faculty research activity has probably accompanied this change in function on campuses where joint doctoral programs are offered but the numbers of programs and students are relatively small and there has been no substantial change in the system's mission. Instead, there has been a rounding-out in the offering of master's degree programs in both the liberal arts and sciences and in the professions, that is, beyond the traditional degrees in education, but all within the State University's traditional functions.

The University of California

Relevant Education Code Sections: 66010, 66010.4, and 66024.

Master Plan Policy: The Master Plan did little to change the traditional mission and functions of the University of California -- instruction in the liberal arts and sciences, including teacher education, and exclusive jurisdiction over professional education in fields such as dentistry, law, and medicine; sole authority to award the doctoral degree; and primary responsibility for state-supported research. The one change that the Master Plan made was to suggest that the University award joint doctoral degrees in selected fields with the State University.

Current Policy and Practice: The mission and functions of the University remain essentially the same as at the time of the Master Plan. There are debates about (1) the relative importance of teaching and research, and (2) proper balance between lower- and upper-division, and undergraduate and graduate enrollments on the campuses and in the system as a whole, but there has been no real change in the University's mission during the past 30 years.

2 Governance and Structure

The California Community Colleges

Relevant Education Code Sections: 70900-1, 70902, 71000-2, and 74000.

Master Plan Policy: Master Plan policy was to continue to view the community colleges as part of the public school system, while at the same time acknowledging them as a critical component of California's tripartite system of public higher education. Emphasis was on local control by locally elected boards, with preference given to boards that would be separate from unified or high school district boards. The Master Plan left the community colleges under the general oversight of the State Board of Education and the Superintendent of Public Instruction, while calling attention to the need for "additional attention and positive leadership" on the part of the State to this, the state's largest higher education system.

Current Policy and Practice: The most significant change in governance since the Master Plan has been in the community college system, which was removed from the jurisdiction of the State Board of Education and the Department in 1968, and for which a new Board of Governors was established in statute, with its own Chancellor and staff. The role of the Board vis-a-vis the colleges and their locally elected boards might best be characterized as evolving over the 25 years since it was established, but the concept of "shared governance" that was embedded in Assembly Bill 1725 in the late 1980s has been helpful in the differentiation of roles. A second significant change since the Master Plan has been the completion of the task of separating the community colleges from school districts -- creating new college districts with their own governing boards, administration, faculty, and staff. Under the Constitution, the colleges remain in the public school system for certain fiscal purposes, but the Master Plan made them an integral part of higher education.

A third important change in the community colleges since the Master Plan is the development of a strong "Academic Senate for Community Colleges" that functions at both the State and campus levels. It has two representatives on the Board of Governors, receives State support for its activities, and participates in the system's shared governance at the State and campus levels.

The California State University

Relevant Education Code Section: 66602-3.

Master Plan Policy: In regard to the governance of what were then the California State Colleges, the Master Plan recommended the establishment of a new board of Trustees of the State College System of California, with its own central staff, that would be comparable in autonomy, composition, and terms of office to the Uni-

versity Regents. Emphasis was placed on accountability, autonomy, and a certain degree of centralization for the new system in moving it out from the jurisdiction of the State Board of Education, the Superintendent, and his staff.

Current Policy and Practice: No major change has occurred beyond the addition of student, faculty and alumni representatives to the Trustees subsequent to the Master Plan. However, the new Trustees were not given the kind of constitutional protection that the Regents enjoy and, instead, have only statutory power.

The University of California

Relevant Education Code Section: None. (State constitution instead.)

Master Plan Policy: The Master Plan made no policy recommendations regarding the Regents of the University of California.

Current Policy and Practice: The composition and terms of the University Regents were changed in 1973, with a smaller number that have served shorter terms since that time. The intent was to make the Governor's appointees "more broadly representative of the general public."

Statewide coordination

Relevant Education Code Sections: 66010.6(a) and 66900-4.

Master Plan Policy: After considering various alternatives for structuring the governance of California higher education, including a superboard, the Master Plan recommended the establishment in statute of an advisory coordinating body (the Coordinating Council for Higher Education) with the following three major functions: (1) review of the annual budget and capital outlay requests of public university systems and comment to the Governor on the general level of support sought; (2) interpretation of the functional differentiation among the three public systems of higher education, with advice to be given to the Regents and the Trustees about programs appropriate to each system; and (3) development of plans for the orderly growth of higher education and recommendation to the governing boards on the need for and location of new facilities and programs.

Current Policy and Practice: The California Postsecondary Education Commission was established in statute in 1973 to replace the Coordinating Council that the Master Plan had created. This action took place shortly after the passage of the federal Higher Education Act of 1972 that called for each state to establish or designate a state-level agency for planning and coordination, and followed a review of the Master Plan that recommended a revamping of the Council because of various deficiencies in its effectiveness.

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3 Access

THE Master Plan's five major planks for providing universal access at the undergraduate level were: (1) building campuses to which most students could commute; (2) charging no or low fees and no tuition; (3) maintaining open access to the community colleges, with an opportunity to transfer after completing lower-division work; (4) controlling the size of lower-division enrollments in the universities so as to reserve space for community college transfer students; and (5) offering financial aid to a limited number of the best qualified students with financial need.

The Master Plan implicitly affirmed three conclusions from earlier studies:

1. The State would need more locally established community colleges and State-provided university facilities, if future citizens of collegiate age were to have educational opportunity equal to that offered in the 1950s;
2. In view of the "outstanding success of the community college programs," the State should actively encourage the establishment of new community colleges in populous areas; and
3. Because of the magnitude of projected enrollments, all possibilities for accommodating them should be explored, including class size, use of physical plant, and use of television.

1. Building campuses to which most students could commute

Relevant Education Code Sections: 66011(a) and 66201

Master Plan Policy: The Master Plan pretty much confirmed other findings and conclusions of earlier studies of the need for additional campuses of California public higher education, including principles that supported (1) differentiation of function among the systems; (2) proximity of new campuses to potential enrollments; (3) reliance on the community colleges to provide initial access through local initiatives in providing adequate facilities; and (4) concern about competition between public and independent institutions for enrollment.

Current Policy and Practice: The State continues to operate within the framework of those conclusions, although its reliance on the community colleges has become more a matter of enrollment demand than State policy on the distribution of lower-division students among the systems.

The State has continued to build new community colleges and new campuses of the State University in order to meet projected enrollment demand in various parts of the State, but it has added no new University campuses since the establishment

of the three that the Regents approved in 1957 -- now the campuses at Irvine, San Diego, and Santa Cruz -- and planning for the ninth general campus in the San Joaquin Valley has been set back because of the State's current fiscal crisis.

Although the State has not yet explored "all possibilities" for accommodating estimated enrollments, including class size, utilization standards, and use of television, it has funded major activities in the latter two areas. The Commission published a major report on utilization standards in 1990, but the State has taken no action to change those that were in effect at the time of the study.

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2. Charging no or low fees and no tuition

Relevant Education Code Sections: 66150, 66152, 66154, and 72252.

Master Plan Policy: The Master Plan recommended that the governing boards reaffirm the principle that the universities be tuition-free to all residents, but that students should assume greater responsibility than in the past for financing their education by paying fees sufficient to cover the costs of noninstructional services.

Current Policy and Practice: While the State still charges its resident students no tuition, fees in all systems have escalated since the Master Plan and will probably continue to do so for some time into the future. State policy that the Legislature adopted in 1985 stipulated that the State should bear primary responsibility for the cost of higher education but that students should be responsible for a portion of those costs. Furthermore, the policy called for fee increases to be "gradual, moderate, and predictable, and announced ten months in advance," and should allow for increases of up to, but no more than, 10 percent per year when revenues and expenditures are substantially imbalanced.

Under the Master Plan, community college districts were permitted to charge a variety of fees for materials and services that local boards established, but in 1985 a statewide, mandated fee schedule was adopted that has severely restricted the ability of districts to charge additional local fees and that was moderate at the start but has been subject to substantial increases since its inception.

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3. Maintaining open access to the community colleges, with an opportunity to transfer after completing lower-division work

Relevant Education Code Section: 66722.

Master Plan Policy: The Master Plan did not intend that all eligible freshmen would be admitted to the system and campus of their choice, having concluded that the State could not afford such access to the universities. Instead, it promised that all qualified students who wished to do so would have access to an upper-division baccalaureate-degree program in one of the public university systems, but with the understanding that they might have to begin their studies in a locally financed community college.

Current Policy and Practice: The Master Plan policy of maintaining open access to the community colleges with opportunity to transfer after completing the lower division has not changed, but fiscal conditions have now made it virtually impos-

sible for the State to fulfill this commitment to the satisfaction of all. The community colleges are required by law to admit all applicants, but (1) the State has imposed an enrollment cap with respect to their funding, and (2) the colleges are often unable to offer courses and course sections sufficient to the needs of the students they enroll. Thus access to the colleges remains open but not to the programs and courses that students may need to achieve their objectives.

At the university level, until recently, California's two public university systems have been able to admit all eligible freshman and transfer applicants, often to the campus of their choice. Because of increasing enrollment demand and decreasing State funding, however, they have now found it difficult to continue to do so -- particularly the University of California, where campuses now appear to be either at capacity or over-enrolled. The State University still appears to have unused capacity on some campuses -- that is, room to enroll more students in most majors -- but applicants may not be able to take advantage of such openings because of personal or employment circumstances.

Currently at issue is the priority that should be given to community college applicants who have successfully completed a transfer program, compared with freshman applicants, applicants who want to transfer from four-year institutions, and applicants from out-of-state. State policy that was enacted in 1991 gives priority in enrollment planning and admission at the two university systems to upper-division transfer students from the California Community Colleges, but the universities may not be putting it into practice because of uncertainty about the intended meaning of "priority."

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4. Controlling the size of lower-division enrollments in the universities in order to reserve space for community college transfer students

Relevant Education Code Sections: 66201.5 and 66730.

Master Plan Policy: The Master Plan affirmed a recommendation from an earlier study that the universities "emphasize policies" that would reduce the ratio of lower-division to upper-division and graduate enrollments to about 40/60, without arbitrarily raising admission standards to accomplish this goal. It concluded that about 40,000 eligible students who would have otherwise enrolled in the universities would be accommodated in community colleges. One goal of this policy was to ensure that all students had access to some system of higher education as freshmen and that those who were interested and qualified could continue on to complete a baccalaureate-degree program.

This Master Plan recommendation resulted from enrollment projections that showed a substantial increase by 1975 in the percentages of lower-division students being enrolled in the University of California and the then State Colleges -- particularly the latter -- compared with the percentage that was projected for the community colleges.

Current Policy and Practice: The State University has had little difficulty in reaching and in fact exceeding the 40/60 ratio, which continues to be State policy, but the University has had less success until recently, in part because it has enrolled a

much larger number of freshmen than transfer students with upper-division standing. Neither university system has any formal "diversion" policies, although particular campuses may advise eligible freshman applicants to enroll in a community college with an expectation of being able to receive priority as an applicant for admission with advanced standing.

5. Offering financial aid to a limited number of the best qualified students with financial need

Relevant Education Code Sections: 66014(b), 66015 (b), 66021.2

Master Plan Policy: The Master Plan appears to have viewed financial aid as complementary to the Plan's other "access planks" in that it gave choice to only the State's most qualified youth while having the potential to save taxpayers money. This policy was probably the basis for the Plan's specific recommendation to provide more and larger grants to undergraduate students for both tuition, fees, and subsistence, including community college students whose grants might be deferred until transfer.

Current Policy and Practice: There have been substantial changes in both the State's and federal student aid policies and programs since the Master Plan, and also in the nature of the beneficiaries of such programs. They are too numerous and complex to discuss here, but generally they involve (1) the vastly increased volume and variety of federal aid, compared with State programs; (2) the importance of loans, compared with grants and scholarships; (3) the availability of aid for subsistence as well as tuition and fees, particularly from federal sources; and (4) participation in the Cal Grant A program by students in the public universities as well as those in independent institutions.

Diversity and representation

Relevant Education Code Sections: 66010.2, 66202.5, 66205, 69620, and 69640.

Master Plan Policy: The Master Plan did not address issues of diversity and the underrepresentation of racial/ethnic groups in the student population. The major reason for this omission was a prohibition at that time against inquiring into the racial/ethnic identity of students on the grounds that such identification had led to negative bias in the past.

Current Policy and Practice: A change in State policy since the Master Plan that pervades all areas is the firm commitment that the State has made to achieving the goal of equal educational opportunity, so as to overcome the historic underrepresentation of members of racial/ethnic groups at most levels but most especially in the State's public colleges and universities.

4 Student Selection and Retention

Admission to the California Community Colleges

Relevant Education Code Sections: 76000 and 78211-78218.

Master Plan Policy: The Master Plan did not recommend policy for the community colleges to select students, noting that existing statute required them to admit any high school graduate or other person 18 years of age or older who is capable of profiting from the instruction offered.

Current Policy and Practice: The community colleges continue to admit all applicants but have initiated a program of "matriculation" that is designed to assess student skills, provide counselling and advising, assist students in developing educational plans, and provide follow-up support services.

Freshman admission to the University of California and the California State University

Relevant Education Code Section: 66205.

Master Plan Policy: The Master Plan directed that the University of California and the California State University should admit as freshmen only those students with a high probability of succeeding academically and with the interest and motivation to persist to the baccalaureate degree. Therefore, they "should raise materially their admission standards so that the University would select from the top one-eighth and the State University from the top one-third of California public high school graduates."

Current Policy and Practice: The University and the State University have both complied with the recommendations of the Master Plan that they raise their freshman admission standards so that the former would select from the top one-eighth and the latter from the top one-third of California public high school graduates. Each system has revised its standards periodically since initially complying with the Master Plan, either to reach the size of the eligibility pools that the Master Plan called for or to increase the probability of student success in university work, or both.

Each system now uses an index to establish eligibility that is based on the student's high school grade-point average and scores on the Scholastic Aptitude Test or the American College Testing program instrument, and each requires the completion of a university-preparatory curriculum by the time of high school graduation. Campuses select those to be offered admission from the pools of eligible applicants who meet the standards, with additional criteria applied if the number of eligible applicants exceeds the number of spaces available for new students.

Special admission of freshmen

Master Plan Policy: The Master Plan also recommended that freshman admission to the universities should be permitted through special procedures, for example, outside the subject-matter and scholarship requirements, and should be limited to 2 percent of all freshman admissions to each system in a given year. This 2 percent was expected to yield a pool of applicants that could be studied so as to find other factors related to subsequent success that might be incorporated into the new admission standards. Provision was also made for admitting 2 percent of the "ineligible" transfer applicants before they completed two years of lower-division work.

Current Policy and Practice: The State University and the University both admit in exception to the standards up to certain percentages of all freshman admissions. However, each system has increased these percentages periodically -- up to some specified maximum -- (1) in order to enroll freshmen from historically underrepresented racial/ethnic groups with good potential for success but who do not meet the requirements, and (2) when subject-matter requirements have been added that might be difficult to meet in the near term.

Little evidence exists that the two university systems have used these pools of exceptions to analyze variables that might be useful additions to traditional admissions criteria, as the Master Plan intended. Instead, provision for admission in exception to the standards has given the campuses some flexibility in admitting particular applicants with special attributes.

Admission of transfer students

Relevant Education Code Sections: 66722 and 66731-66744

Master Plan Policy: The University and the State University should require the successful completion of most lower-division work for transfer before admitting applicants from community colleges or other types of institutions who would have been ineligible for admission as freshmen because of inadequate high school grades.

Current Policy and Practice: From the time of the Master Plan, the universities have complied generally with the recommendation that students who were ineligible from high school complete lower-division work before transferring with advanced standing, unless their ineligibility resulted from minimum subject-matter deficiencies in their high school preparation. The University has required a grade-point average of at least 2.4 on transfer-applicable work; the State University, at least 2.0. However, as space for new students became more limited on most campuses and in many majors, university practice requires nearly all students to complete all lower-division work before transfer, and then selects for admission those with grade-point averages substantially above the minimum.

The Legislature enacted Senate Bill 121 (Hart) in 1991 that put into the Code a great deal of detail concerning admissions priorities for transfer students and the overall treatment of such students from community colleges. The systems each developed detailed plans on how to implement these new provisions but full implementation has been virtually impossible because of current fiscal conditions and thus the current status of the transfer function is somewhat uncertain.

Studies of the validity of entrance requirements

Master Plan Policy: Each of the three systems was to make statistical studies of their entrance requirements and report annually to the Coordinating Council (now the Commission) on validity as judged by (1) scholastic success, (2) persistence, (3) rate of dismissal, and (4) scores on standardized tests. This recommendation also called for annual reports on undergraduate grade distributions and grading differentials with other institutions and systems for transfer students.

Current Policy and Practice: The recommendation that the systems make annual reports to the coordinating agency on the validity of their entrance requirements and related matters has not been implemented. Instead, the systems conduct periodic analyses of the performance of their students for internal purposes, and make reports on the initial success of their students back to the high schools and colleges from which the students were admitted.

5 Faculty Supply and Demand

ANTICIPATING a shortage of qualified candidates for college and university teaching in the rapidly expanding systems of higher education in the years ahead, the Master Plan recommended several actions that were designed to secure a pool of qualified candidates: (1) increases in the proportion of college graduates going into graduate programs; (2) strengthening of master's degree programs; (3) greater use of California-trained doctoral-degree holders; (4) reorienting doctoral programs; (5) providing new financial assistance to graduate students; and (6) increasing salaries and fringe benefits for faculty.

1. Increasing the proportion of college graduates going into graduate programs

Master Plan Policy: Increase the proportion of college graduates going into graduate programs to prepare for college and university teaching;

Current Policy and Practice: During one period after publication of the Master Plan, there was not much concern about a shortage of college and university faculty because of an expected decline in enrollments (to follow a decrease in the number of high school graduates). In fact, there was probably a surplus of candidates for faculty positions in many disciplines. Now, however, California is facing projected enrollments that will require new and additional faculty -- "new" to replace those who are retiring, many under "golden handshake" programs, and "additional" to serve projected increases in enrollment. However, with much higher student fees and uncertain State funding to support enrollment increases, some projections of anticipated faculty shortages may have been inflated.

2. Strengthening master's degree programs

Master Plan Policy: Strengthen master's degree programs so that degree recipients would be more effective additions to higher education faculties, particularly in community colleges

Current Policy and Practice: The removal of credential requirements for faculty in the community colleges many years after the Master Plan may have helped strengthen State University master's degree programs since faculty in the arts and sciences are expected to hold a strong master's degree in their discipline. There is less interest in the University in such programs since its major focus is on doctoral degree programs, and the community colleges do not typically expect to employ such graduates.

An issue that is not receiving attention, however, is the need for strong preparation of community college faculty to teach in the growing number of new kinds

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of tech/prep programs. With the advent of these programs that require high school students to have better academic preparation, there may be need for new graduate programs to prepare college faculty to teach in these programs.

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3. Making greater use of California-trained doctoral-degree holders

Master Plan Policy: Make greater use of California-trained doctoral-degree holders.

Current Policy and Practice: Joint doctoral programs that involve the State University with the University of California and the Claremont Graduate Center have been established subsequent to the Master Plan and may be useful in implementing this recommendation.

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4. Reorienting doctoral programs

Master Plan Policy: Reorient doctoral programs so as produce "scholar-teachers" as well as "research scholars."

Current Policy and Practice: The joint doctoral programs that involve the State University and other California institutions have been designed to help implement this recommendation.

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5. Providing new financial assistance to graduate students

Relevant Education Code Section: 69670.

Master Plan Policy: Provide new financial assistance to students in graduate programs.

Current Policy and Practice: State-funded financial assistance to students in graduate programs has not become a major program among those that the Student Aid Commission administers. Neither has federal student aid become a factor in encouraging students to prepare for college and university teaching. Instead, much of the financial assistance is provided through teaching and research assistantships in the universities.

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6. Increasing salaries and fringe benefits for faculty

Master Plan Policy: Increase salaries and fringe benefits for faculty in order to make college teaching more competitive with business and industry.

Current Policy and Practice: This recommendation has been addressed for disciplines such as engineering and business administration. In addition, the Coordinating Council and now the Commission conduct annual studies of faculty salaries in "comparison" institutions in order to determine what level of increase would be needed to make California's universities competitive.

Criteria for promotion

Master Plan Policy: The Master Plan was concerned about excellence in college and university teaching but made no specific recommendations beyond those dealing with preparation.

Current Policy and Practice: The review of the Master Plan in 1989 yielded the recommendation that teaching should have the greatest weight in determining promotion of State University faculty and that teaching should be weighted equally with research in determining promotion of University faculty.

Faculty diversity

Master Plan Policy: The Master Plan made no specific recommendations about faculty diversity.

Current Policy and Practice: California's colleges and universities are committed to increasing the supply of faculty and staff from historically underrepresented groups but the State has not funded such a program. Note should be made of a national effort that the Ford Foundation is sponsoring to encourage such undergraduates to make this career decision.

6 Adult Education

Relevant Education Code Sections: 8530-8538, 72253.5, and 78401.

Master Plan Policy: The Master Plan's primary statement on adult education reads as follows: "In the long-range plans for providing opportunities in higher education to the people of California, provision for adequate support of adult education services must be assured. However, in the determination of what the State should support, effort must be made to differentiate between those enrollees who are pursuing a stated planned program with definite occupational or liberal education objectives, and those who are enrolling in single courses for which matriculation or prerequisites are absent."

Current Policy and Practice: The Master Plan did not deal directly with issues involving adult, noncredit education that public schools and community colleges offer in a variety of forms, nor with the extension program function of the public universities. Numerous task forces, advisory groups, contracted studies, and, of course, meetings and conferences have been devoted to adult and continuing education since that time, without any clear resolution of the questions of (1) the State's commitment to funding postsecondary education for adults without degree objectives (or continuing education beyond the attainment of degrees); (2) what adults might be expected to pay for continuing education and lifelong learning; and (3) differentiation of function among the various educational levels and systems, if any.

7 Costs, Fees, and Financing

TWO major questions to be answered in the Master Plan were (1) How much of the costs of higher education should be borne by the students? and (2) Should the fee structure that was then in place be altered? The two final chapters of the Master Plan report dealt with "California's Ability to Finance Public Higher Education, 1960-1975," and "Will California Pay the Bill?"

Specific recommendations about what students should pay followed from the general view that the State's traditional policy of tuition-free education was in the best interests of the State and should be continued.

This policy area has seen the greatest amount of change since the Master Plan, and changes in it have had impact on all other areas with which the Master Plan dealt. These policy changes have been highly correlated, of course, with the State's changing fiscal health over the 30-year period.

The Master Plan's first question of how much of the costs of higher education should be borne by the students has still not been addressed systematically -- the only answer to date (in terms of present practice in setting fees) being "ever more than before," with practice far exceeding State policy of moderation in fee increases.

The Master Plan's second question of whether the fee structure should be altered has only been partially addressed in the intervening years, in that State policy continues to be that the public colleges and universities should be tuition-free for resident students. However, the rapid increases in other fees may force the State to change its policy of restricting revenue from fees to uses other than instruction.

University and community college fees

Relevant Education Code Sections: 66150, 66152, 66154, 66158, 66160, 66161, 66161.5, 66162, and 66163.

Master Plan Policy: The Master Plan recommended that university students be asked to pay fees sufficient to cover the operating costs of services not directly related to instruction -- laboratory fees, health, student activities, and intercollegiate athletics, for example, and also ancillary services should be self-supporting -- housing, food, and parking, for example. (It also said that community college students should pay such fees "when applicable.")

Current Policy and Practice: In the universities, student charges for services that are not directly related to instruction now far exceed the costs of operating them, particularly in the University. This distancing of fees from costs probably began as

policy under Governor Reagan who, as a Regent, urged the board to adopt a fee policy that would require students to pay a substantial portion of the cost of their education, on the grounds that they were receiving the best education anywhere in the country and should be expected to pay more for it than the Master Plan anticipated.

Use of the revenues from the fees was debated by the University for some time -- the Governor did not rule out the concept of tuition and one proposal was for using the revenue for capital outlay purposes. At this time, fees appear to be increased from year to year to meet the universities' growing deficits from the State General Fund, and some revenue from fees is used for student financial aid in both university systems.

State support

Relevant Education Code Sections: 72250 and 72252.

Master Plan Policy: Because of the community colleges' increased local financial obligations that were to result from implementing the Master Plan recommendation to divert 40,000 students who would otherwise have enrolled in the universities, the Master Plan recommended that the State assume greater responsibility for funding both operating costs and capital outlay in these colleges. (The proportion of operating expenses from the State School Fund was then 30 percent and no State funds were appropriated for capital outlay in the community colleges.)

Current Policies and Practices: The State has assumed greater responsibility for funding operating costs in the community colleges and now, as their reserves have been depleted and their bonding authority limited, the State is funding whatever capital outlay it can presently afford. Initially, the colleges opposed increases in State funding that would raise its contribution to more than 50 percent, on the grounds that local autonomy could be maintained only if the majority proportion of their revenue came from local property taxes. However, Proposition 13 made it impossible for the colleges to survive without the State funding a greatly increased share of their operating expenses. Property tax revenue continues to be an essential portion of the colleges' income and current shortfalls in tax revenue, in relation to projections, is a problem in both current-year and the Governor's budget for 1993-94.

Of the three public systems, the community colleges appear to have changed (or been changed, by the Governor and the Legislature) the most since 1960 -- in both how they are financed and their cost to the students. The two fundamental changes are (1) their increased dependence on the State General Fund for support, following the passage of Proposition 13 that reduced their revenue from local property taxes, and (2) the imposition of a State-mandated fee beginning in 1984, while at the same time restricting the districts' right to levy fees locally.

Enrollment ranges

Master Plan Policy: Minimum, optimum, and maximum full-time student enrollment ranges were to be observed in planning new facilities in each system. They

were: 400; 3,500; and 6,000 for community colleges; 5,500; 10,000; and 20,000 for State University campuses in densely populated areas in metropolitan centers; 3,000; 8,000; and 12,000 for State University campuses elsewhere; and 5,000; 12,000; and 27,500 for University campuses.

Current Policy and Practice: Minimum, optimum, and maximum full-time student enrollment ranges that the Master Plan recommended for planning new facilities are not now being observed and no new standards have been established by the State. There are vast differences in campus size in all three systems and capacities have been revised periodically in response to changing conditions.

8 Conclusion

AFTER stating that "All evidence . . . points to an unprecedented increase in the demand of the people of California for opportunity to participate in higher education, a chance for all who have the capacity and willingness to profit by college instruction," the Master Plan report concluded that "California can and will, as in both the past and present, provide adequate support for an efficient program of public higher education designed to meet fully the rapidly changing needs of society."

That concluding statement of the Master Plan report may no longer be supportable, and the test may well come in the next budget year. The Commission, with its Ad Hoc Committee on the Financing and Future of California Higher Education, will not draw back from the commitment and conclusions that the Master Plan made, but recommending ways to sustain this commitment is the greatest challenge that the Commission has taken on in its nearly 20-year history.